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PART III.

ACTS AND REGULATIONS PASSED BY THE GOVT. OF MYSORE.

LEGISLATIVE DEPARTMENT.

REGULATION No. II OF 1896.

(*Passed on the 27th day of October* 1896.)

A Regulation to provide for the imposition and levy of certain duties on Cotton Goods in the Territories of Mysore.

Whereas it is expedient to impose certain duties on Cotton Goods within the Territories of Mysore; Her Highness the Maharani-Regent is pleased to enact as follows:—

PRELIMINARY.

1. (1) This Regulation may be cited "The Mysore Cotton Duties Regulation of 1896." Title.

(2) It extends to the whole of the Territories of Mysore; and Extent.

(3) It shall come into force on and from the first day of December 1896. Commencement.

2. In this Regulation unless there be something repugnant in the subject or context— Definitions.

(*a*) "Deputy Commissioner" means the Deputy Commissioner of a District or such other officer duly authorized by the Government of Mysore to perform all or any of the duties of a Deputy Commissioner under this Regulation:

(*b*) "Cotton yarn" or "yarn" means yarn wholly or partly composed of cotton fibres:

(*c*) "Cotton goods" or "goods" includes all tissues and other articles (except yarn and thread), woven, knitted or otherwise manufactured, wholly or partly, from cotton yarn:

(*d*) "Mill" means any building or place where cotton goods are woven, knitted or otherwise manufactured by machinery moved otherwise than by manual labor, and includes every part of such building or place:

(*e*) "Warehouse" means a place licensed for the storage of goods under this Regulation."

3. There shall be levied and collected at every mill in the Territories of Mysore, upon all cotton goods produced in such mill, a duty at the rate of $3\frac{1}{2}$ per centum on the value of such goods.

Imposition of duty on cotton goods produced in the Mysore mills.

Explanation.—Goods are said to be produced within the meaning of this section when they are issued out of the premises of the mill. But, in the case of any mill in which the goods are chiefly or largely made up and sold otherwise than as piece-goods, the Government of Mysore may direct that goods shall be reckoned as produced when they are issued out of the weaving section or sections of the mill.

4. (1) The Government of Mysore may, from time to time, by notification in the Official Gazette, fix, for the purpose of levying the said duties, tariff values of all such goods as aforesaid or of any particular description or descriptions thereof, and alter any tariff values for the time being in force.

Power to Government to fix tariff values of such goods.

(2) Such tariff value shall, for the purposes of this Regulation, be deemed to be the "real value" of the goods to which it applies, but save as aforesaid all goods shall be assessed under this Regulation at their real value.

(3) For the purposes of this Regulation the real value shall be deemed to be—

(*a*) the wholesale cash price, less trade discount for which goods of the like kind and quality are sold or are capable of being sold at the time and place of production, without any abatement or deduction whatever, except of the amount of the duties payable on the production thereof;

(*b*) where such price is not ascertainable, the cost at which goods of the like kind and quality could be delivered at such place, without any abatement or deduction, except as aforesaid.

5. (1) The owner of every mill shall prepare and deliver, or cause to be prepared and delivered, to the Deputy Commissioner each month a return of all the cotton goods produced at his mill during the preceding month; and shall subscribe a declaration of the truth of such return at the foot thereof.

Delivery of monthly returns of goods produced by mill-owners.

(2) Unless otherwise prescribed by any rules under this Regulation, every such return shall state for each description of goods the quantity produced during the period to which the return relates and the real value of such goods.

(3) Every such return shall also contain such further information and be in such form and be subject to such conditions as to verification and otherwise as may be prescribed by any rules under this Regulation.

(4) Each return shall be delivered to the Deputy Commissioner or posted to his address within three working days, and at most within seven days, of the period to which it relates; and the first of such returns shall be made for the month of December 1896 and shall include all goods produced since the commencement of this Regulation.

Explanation.—The expression "Working day" in this sub-section means every day except Sundays: New Year's day, Christmas day: if either of such days falls on a Sunday, the next following Monday: Good Friday; and any other day declared by the Government of Mysore, by Notification in the Official Gazette, to be a public holiday.

6. (1) The Deputy Commissioner shall, subject to such rules, if any, as the Government of Mysore may prescribe, assess the duties payable in respect of the period to which the return relates, and unless the amount thereof is immediately tendered shall cause a notice, in such form as may be prescribed by any rules under this Regulation, to be served on the owner requiring him to make payment of the amount assessed within ten days of the date of service of the said notice.

Assessment of duty and notice requiring payment.

(2) A notice under sub-section (1) may be served on the owner of a mill by delivering or tendering to him or his agent at his ordinary place of business a copy of the notice, or, if this cannot be conveniently done, by fixing a copy of the notice on one of the outer doors of the mill.

Recovery of unpaid duty.

7. (1) If any duty payable under this Regulation is not paid within the time fixed by any such notice as aforesaid for the payment thereof, the Deputy Commissioner may, in lieu thereof, recover any sum not exceeding double the amount of duty so unpaid, which he shall, in his discretion, think it reasonable to require.

(2) All sums recoverable under sub-section (1) shall be recovered in the manner provided for the collection of arrears of land revenue.

WAREHOUSING.

Licensing of warehouses for storage of goods and fees for same.

8. (1) The Government of Mysore may, from time to time, license any room or place as a warehouse for the storage of cotton goods subject to such conditions as it may prescribe for the admission of goods into such warehouses, their safe custody while lodged therein, and their removal therefrom, as well as for the recovery of the duties leviable thereon.

(2) There shall be payable in respect of every such warehouse such licensing fees and other payments as may for the time being be prescribed by rules framed by the Government of Mysore on this behalf.

Provided that the Government of Mysore may remit the whole or any part of such fees or other payments in respect of any particular warehouse.

Permission to deposit goods in warehouses.

9. (1) The owner of any mill may apply for leave to deposit in a warehouse any goods in respect of which duty has become leviable under Section 3 and which has not yet been assessed under Section 6.

(2) Such application shall be in writing signed by the applicant, and shall be in such form as may be prescribed by the Government of Mysore.

Exemption from assessment of goods so deposited.

10. When any goods have been deposited in a warehouse, the quantity and particulars thereof shall be specified as so deposited in the return made under Section 5 for the period in which the goods were produced, or in a separate return for that same period, and the said goods shall be omitted in the assessment and collection of duty.

INSPECTION.

Power to Deputy Commissioner to inspect mills and take copies of records and accounts.

11. (1) The Deputy Commissioner, or any officer duly appointed by the Government of Mysore in that behalf, shall have free access at all reasonable times during working hours to any mill and, subject to any order of the Government of Mysore in this behalf, to any part of any mill.

(2) Any such officer may at any time, with or without notice to the owner, examine the working records, sale records, and accounts of any mill, and take copies of, or extracts from, all or any of the said records or accounts, for the purpose of testing the accuracy of any return, or of informing himself as to any particulars regarding which information is required for the purposes of this Regulation or any rules thereunder.

(3) Any mill-owner may object to submitting to any officer under the rank of a Deputy Commissioner any record or account containing the description or formulæ of any trade process; but in case of such objection, he must submit the same in writing to the officer for transmission to the Deputy Commissioner, and the officer may then and there seal up the record or account pending the orders of the Deputy Commissioner.

12. All such copies and extracts, and all other information acquired by any such officer on the inspection of any mill, shall be regarded as strictly confidential, and shall not, without the previous consent in writing of the Government of Mysore, be disclosed to any person other than a superior officer.

Information acquired to be deemed as confidential.

OFFENCES AND PENALTIES.

13. The offences mentioned in the first column of the following schedule shall be punishable to the extent mentioned in the second column thereof with reference to such offences respectively:—

Punishments for offences.

Offences.	Penalties.
1. Contravening any rule made under this Regulation.	Penalty not exceeding five hundred rupees,
2. Concealing or attempting to conceal, or knowingly permitting or procuring to be concealed, any goods liable to duty under this Regulation with intent to evade payment of the duty or any part thereof.	Such goods shall be liable to confiscation, and every person convicted of the offence shall be liable to a penalty not exceeding three times the value of the goods.
3. Omitting to make any return required by Section 5 or refusing to sign or complete the same.	Penalty not exceeding one thousand rupees.
4. Making and delivering any such return containing any statement not true to the best of the information and belief of the person making the same.	The penalty provided in the Indian Penal Code, Section 199, for making a false statement in a declaration.
5. Altering or falsifying any record or book of account kept in the mill with the intention of defrauding the revenue.	The penalty provided in the Indian Penal Code, Section 465, for the commission of forgery.
6. Omitting, without reasonable cause, to keep samples as provided in Section 15.	A penalty for each offence not exceeding two hundred rupees.
7. Omitting to keep such proper records and books of account as may be prescribed by any rule under this Regulation.	Penalty not exceeding five hundred rupees and a further penalty of twenty rupees for every day after the date of the conviction during which the offence is continued.
8. Omitting to make and deliver any return which by any rule under this Regulation ought to have been made and delivered.	Penalty not exceeding one thousand rupees.
9. Intentionally obstructing any Deputy Commissioner or other officer in the exercise of any powers given under this Regulation.	Imprisonment for a term not exceeding six months, or fine not exceeding one thousand rupees, or both.
10. If any goods are found concealed in any place, box or closed receptacle in any mill and are not duly accounted for to the satisfaction of the Deputy Commissioner.	Such goods shall be liable to confiscation.
11. If any goods are found in any mill in excess of the quantity entered in the return or not corresponding with the statement therein contained.	Such goods shall be liable to confiscation or to be charged with such increased duty as the Government of Mysore may direct.
12. If when any cotton goods are passed by tale or by package any omission or misdescription thereof tending to injure the revenue be discovered.	The person guilty of such omission or misdescription shall be liable to a penalty not exceeding ten times the amount of duty which might have been lost to the Government of Mysore by such omission or misdescription, unless it be proved to the satisfaction of the Deputy Commissioner or other officer that the variance was accidental.
13. If any Deputy Commissioner or officer subordinate to a Deputy Commissioner does any act or is guilty of any omission in contravention of this Regulation or of any rule or order made thereunder; or, with intent to cause injury or annoyance to any person, vexatiously and unnecessarily makes use of any power conferred upon him under this Regulation.	Such Deputy Commissioner or officer shall be liable on conviction to a fine not exceeding five hundred rupees.
14. Communicating information in contravention of the provisions of Section 12 of this Regulation.	Simple imprisonment for one year, or fine up to 1,000 rupees, or both.

14. (1) All offences against this Regulation may be tried only by a District Magistrate or a Magistrate of the first class.

Magistrates having jurisdiction.

(2) The confiscation of any goods under this Regulation includes any package in which they are found, and all the other contents thereof.

Packages and contents included in confiscation of goods.

Every cart or other means of conveyance, and every horse or other animal used in the removal of any goods liable to confiscation under this Regulation, shall in like manner be liable to confiscation.

Also conveyances and animals used in removal.

MISCELLANEOUS.

15. (1) The owner of every mill shall, in the case of any goods other than those for which tariff values have been fixed under Section 4, take a sample or samples of such goods, at the time of manufacturing the same, and shall preserve such samples for reference for at least six months after the said goods are produced.

Samples of certain goods to be taken by mill-owners at time of manufacture and to be available for inspection.

(2) Such samples shall be at all times available for inspection by the Deputy Commissioner, or by any officer appointed under Section 11, and if the goods themselves cannot conveniently be examined, it shall be sufficient for the purpose of charging the duty leviable thereon under this Regulation to assess their value after an examination of such samples.

(3) The Government of Mysore may define by rule what shall in any specified case be a sufficient sample for the purposes of this section.

16. The Government of Mysore may, on the application of any person aggrieved by any decision or order passed under this Regulation, reverse or modify such decision or order.

Power to Government to reverse or modify orders under this Regulation.

17. (1) The Deputy Commissioner or any officer appointed under Section 11 may at any time take samples of any goods for examination or for ascertaining the value thereof, or for any other necessary purpose.

Power to take samples.

(2) The owner may when required to deliver any sample to an officer appointed under Section 11 seal up such sample in a cover addressed to the Deputy Commissioner; and in such case the said officer shall deliver such cover intact to the Deputy Commissioner.

(3) Every sample shall, if practicable, be restored to the owner, or, at his option, sold by the Deputy Commissioner, and the proceeds accounted for to the owner.

18. The owner of every mill shall keep such records and books of account as may be prescribed by any rules under this Regulation.

Records and accounts to be kept by mill-owners.

19. The owner of every mill or place where cotton yarn is spun by machinery moved otherwise than by manual labor shall make periodical returns to the Deputy Commissioner of the quantity and description of all such yarns, in such form, with such particulars, and at such intervals, as may be prescribed by any rule under this Regulation.

Mill-owners to make periodical returns of cotton yarn spun by machinery.

20. (1) The Government of Mysore may, from time to time, make rules under this Regulation,—

Power to Government to make rules.

(*a*) prescribing the form of any return required by or under this Regulation and the particulars to be contained therein respectively, and the manner in which the same is to be verified, and all such other conditions in respect thereof as may be necessary;

(*b*) requiring returns of yarns spun;

(*c*) prescribing the form of the notice to be issued by the Deputy Commissioner under Section 6 ;

(*d*) regulating the inspection of mills, and the powers and duties of Deputy Commissioners and other officers in respect thereof ;

(*e*) regulating the provision of warehouses under this Regulation, and the deposit and discharge of goods therein and therefrom, and the powers and duties of the Deputy Commissioner in respect thereof ;

(*f*) prescribing the records and books of account to be kept by owners of mills under this Regulation ; and

(*g*) generally, for carrying into effect the provisions of this Regulation.

(2) The application of any such rule may be confined to any place or places specified therein.

When contracts have been entered into, amount of increased or decreased duty to be added or deducted.

21. In the event of any duty on any article being imposed, increased, decreased or remitted under this Regulation, after the making of any contract for the sale of such article without stipulation as to the payment of duty, where duty was not chargeable at the time of the making of the contract, or for the sale of such article duty-paid where duty was chargeable at that time:—

(*a*) if such imposition or increase so takes effect that the duty or increased duty, as the case may be, is paid, the seller may add so much to the contract price as will be equivalent to the duty or increase of duty, and he shall be entitled to be paid and to sue for and recover such addition, and

(*b*) if such decrease or remission so takes effect that the decreased duty only or no duty, as the case may be, is paid, the purchaser may deduct so much from the contract price as will be equivalent to the decrease of duty or remitted duty, and he shall not be liable to pay or be sued for or in respect of such deduction.

Provision with respect to goods in stock.

22. (1) No duty shall be levied under this Regulation on any goods which at the commencement of this Regulation are upon the premises of any mill and are ready for issue therefrom, either without undergoing any further process, or after being made up into bales or packets ;

Provided that a list of such goods be made up and deposited with the Deputy Commissioner within seven days from the commencement of this Regulation.

(2) The returns of the production of such goods prepared under Section 5 of this Regulation shall be separate from those of other goods.

K. SHESHADRI IYER,
Dewan of Mysore.